



General Assembly

February Session, 2002

**Amendment**

LCO No. 5093

\*SB0025105093SD0\*

Offered by:

SEN. BOZEK, 6<sup>th</sup> Dist.  
REP. OREFICE, 37<sup>th</sup> Dist.  
SEN. DELUCA, 32<sup>nd</sup> Dist.

REP. DOYLE, 28<sup>th</sup> Dist.  
REP. STONE, 9<sup>th</sup> Dist.  
REP. PRELLI, 63<sup>rd</sup> Dist.

To: Senate Bill No. 251

File No. 28

Cal. No. 67

**"AN ACT CONCERNING THE CONFIDENTIALITY OF INSURANCE  
DEPARTMENT RECORDS."**

1 After line 53, add the following:

2 "Sec. 2. Subsection (c) of section 38a-440 of the general statutes is  
3 repealed and the following is substituted in lieu thereof (*Effective July 1,*  
4 *2002*):

5 (c) The minimum values as specified in subsections (d), (e), (f), (g)  
6 and (i) of this section of any paid-up annuity, cash surrender or death  
7 benefits available under an annuity contract shall be based upon  
8 minimum nonforfeiture amounts as defined in this subsection: (1)  
9 With respect to contracts providing for flexible considerations: (A)  
10 Except as provided in subparagraph (B) of this subdivision, the  
11 minimum nonforfeiture amount at any time at or prior to the  
12 commencement of any annuity payments shall be equal to an  
13 accumulation up to such time at a rate of interest of three per cent per

14 annum of percentages of the net considerations, as hereinafter defined,  
15 paid prior to such time, decreased by the sum of [(A)] (i) any prior  
16 withdrawals from or partial surrenders of the contract accumulated at  
17 a rate of interest of three per cent per annum, and [(B)] (ii) the amount  
18 of any indebtedness to the company on the contract, including interest  
19 due and accrued; and increased by any existing additional amounts  
20 credited by the company to the contract, [. The] (B) where such  
21 contracts are issued on or after July 1, 2002, and before July 1, 2004, the  
22 minimum nonforfeiture amount at any time at or prior to the  
23 commencement of any annuity payments shall be equal to an  
24 accumulation up to such time at a rate of interest of one and one-half  
25 per cent per annum of percentages of the net considerations, as  
26 hereinafter defined, paid prior to such time, decreased by the sum of  
27 (i) any prior withdrawals from or partial surrenders of the contract  
28 accumulated at a rate of interest of one and one-half per cent per  
29 annum, and (ii) the amount of any indebtedness to the company on the  
30 contract, including interest due and accrued; and increased by any  
31 existing additional amounts credited by the company to the contract,  
32 (C) the net considerations for a given contract year used to define the  
33 minimum nonforfeiture amount shall be an amount not less than zero  
34 and shall be equal to the corresponding gross considerations credited  
35 to the contract during that contract year less an annual contract charge  
36 of thirty dollars and less a collection charge of one dollar and twenty-  
37 five cents per consideration credited to the contract during that  
38 contract year, [. The] and (D) the percentages of net considerations  
39 shall be sixty-five per cent of the net consideration for the first contract  
40 year and eighty-seven and one-half per cent of the net considerations  
41 for the second and later contract years, except the percentage shall be  
42 sixty-five per cent of the portion of the total net consideration for any  
43 renewal contract year which exceeds by not more than two times the  
44 sum of those portions of the net considerations in all prior contract  
45 years for which the percentage was sixty-five per cent; (2) with respect  
46 to contracts providing for fixed scheduled considerations, minimum  
47 nonforfeiture amounts shall be calculated on the assumption that  
48 considerations are paid annually in advance and shall be defined as for

49 contracts with flexible considerations which are paid annually with  
50 two exceptions: (A) The portion of the net consideration for the first  
51 contract year to be accumulated shall be the sum of sixty-five per cent  
52 of the net consideration for the first contract year plus twenty-two and  
53 one-half per cent of the excess of the net consideration for the first  
54 contract year over the lesser of the net considerations for the second  
55 and third contract years; (B) the annual contract charge shall be the  
56 lesser of (i) thirty dollars or (ii) ten per cent of the gross annual  
57 consideration; [. With] (3) with respect to contracts providing for a  
58 single consideration, minimum nonforfeiture amounts shall be defined  
59 as for contracts with flexible considerations except that the percentage  
60 of net consideration used to determine the minimum nonforfeiture  
61 amount shall be equal to ninety per cent and the net consideration  
62 shall be the gross consideration less a contract charge of seventy-five  
63 dollars."